



GDOT Local Assistance (State Motor Fuel Tax) 10/9/12

The Past

Local Maintenance Improvement Grant Program, commonly referred to as LMIG, was formerly called **LARP**(Local Assistance Road Program) and **State-Aid**. The program was renamed LMIG under SB 200 in the 2009 Legislative Session. In the time before LMIG, the Governor and General Assembly would pass GDOT's budget and set aside a portion of the state motor fuel tax for LARP and another portion for State-Aid. LARP typically would get 20-40 million and State-Aid would get about the same amount. In some years, much less was provided. LARP is only resurfacing and GDOT spread that money out by a formula. That formula was set by GDOT and used a weighted average of population and centerline lane miles. LARP had 0% match requirements for local governments other than requiring local governments to have roads properly prepared for resurfacing. It should be pointed out that preparing roads for resurfacing was often a costly endeavor by the local governments. State-Aid monies were administered by the Commissioner on an as-needed basis and were used for roadway projects, intersection improvements, turn lanes, sidewalks, etc. The budget typically spelled out how much would be "on-system" versus "off-system". In other words, the money was split based if a project was on a state route or a county/city road. For state-aid, we required the local government to fund engineering, buy Right-of-way, and pay at least 50% of construction. Therefore, the match was actually much larger than 50%.

The Present

Once the program was renamed LMIG in the 2009 session, GDOT began to use the new requirements for LMIG in FY 11 based on the language below:

Section 32-5-27 (d)

(d) Funds allocated for the local maintenance and improvement grant program shall replace funds formerly available under the local assistance road program and state-aid program and shall be allocated by the Local Grants Division of the department to local governing authorities as grants or otherwise according to a funding formula developed by the division and the director. Such formula shall include considerations of paved and unpaved lane miles and vehicle miles traveled and may include population, employment, and local funding matches available, as well as other factors as may be determined by the division and the director. Funds allocated each fiscal year for the local maintenance and improvement grant program shall be not less than 10 percent nor more than 20 percent of the money derived from motor fuel taxes received by the state in the immediately preceding fiscal year, less the amount of refunds, rebates, and collection costs authorized by law and shall be used only for the purposes available for the proceeds of such taxes. Grants of such funds shall include provisions requiring adherence to adequate roadway standards, accounting practices, and applicable transportation plans. Additional allocations to this program from other funding sources shall be allocated subject to the requirements for usage attached to such funds.

The Director of Planning has responsibility to set the formula under the language in SB 200. For the last several years, the formula below was used as part of the LMIG program. Various factors and weights were studied before a final decision was made to use population and centerline miles (paved and unpaved) as the determining factors. Unfortunately, vehicle miles driven at the city level is not reliable. Also, as with LARP in the past, roads within the city limits maintained by the county will count as county roads. Also, state routes and interstates are not included in the mileage calculations.

$$\frac{(LG \text{ POPULATION} / STATE \text{ POPULATION})}{3} + \frac{(LG \text{ MILE} / STATE \text{ MILE})}{3} = \text{FACTOR}$$
$$\text{FACTOR} \times \text{ANNUAL ALLOCATION} = \text{LG FORMULA AMOUNT}$$

The program is administered by the Local Grants Division within GDOT. It should be noted that since LMIG was formed in 2009, the amount of local assistance has increased greatly. We have funded approximately 100-110 million per year under the new rules set forth under *Section 32-5-27 (d)*. For FY 2013, just over \$110 million has been budgeted.

As of July 31, 2012, each region voted on the Transportation Investment Act (TIA). Per Section 48-8-244, each region's local government will provide a 10% or 30% match on LMIG until a tax is passed. The match is 10% if the region passes TIA and 30% if the region does not pass TIA.

Code Section 48-8-244(d)

In the event a special district sales and use tax election is held and the voters in a special district do not approve the levy of the special district transportation sales and use tax, the local governments in such special district shall be required to provide a 30 percent match for any local maintenance and improvement grants by the Department of Transportation for transportation projects and programs for at least 24 months and until such time as a special district sales and use tax is approved. In the event the voters in a special district approve the levy of the special district transportation sales and use tax, the local governments in such special district shall be required to provide a 10 percent match for any local maintenance and improvement grants by the Department of Transportation for transportation projects and programs for the duration of the levy of the special district transportation sales and use tax.

Three of the twelve regions in the state passed TIA so the 46 counties that make up those regions fall under the 10% match requirement. The remaining 113 counties fall under the 30% match requirements.

In September of 2012, GDOT rolled out the new LMIG program that allows local governments a great deal of flexibility in the LMIG program while taking into consideration the new match requirements. The new guidelines were developed in conjunction with ACCG, GMA and others. Several highlights of the new program:

- Each jurisdiction will be given a "formula amount" of LMIG money in the form of a check at beginning of fiscal year.
- In order to qualify for the formula amount, a project list from each jurisdiction will be required at beginning of year that shows projects that total the formula amount PLUS match required. For example, if the jurisdiction has a formula amount of \$100,000, the project list must total at least \$110,000 if in a region that passed the tax and at least \$130,000 in a region that did NOT pass the tax. If a local government does not submit a project list, then they will not receive local assistance and the money will be used for emergencies, economic development or school projects elsewhere in the state on an as needed bases.
- Even though local governments have to generate a match, they are getting their full formula amount of LMIG. It should be noted that most all jurisdictions already spend more on local transportation projects then the 30% match requires.
- Per state statute, state motor fuel funds can only be used on improvements for roads and bridges that are within the county, city or state right of way. Therefore, the Local Grants office has developed applicable guidance for the management of all formula distributed funds.
- Each jurisdiction has complete control of expenditures. GDOT is not going to bid or inspect the projects during construction.
- Project types include but are not limited to: patching & resurfacing, new location, widening, turn lanes, rehabilitation, intersections, dirt road upgrades, safety upgrades, culvert/bridge repair or replacement, roadway signing and markings, engineering, construction inspection, etc.

NOTE: Any sidewalk/bike lane improvements must lie within the roadway right of way to be an eligible request.
